

INFORMATION REPORT INFORMATION REPORT

CENTRAL INTELLIGENCE AGENCY

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DATE ACQUIRED This is UNEVALUATED Information

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1. No unusual demonstrations or violence were reported in the Soviet zone of Germany during the first week of May 1955. The mood of the population was resentful but cautious. There were scattered reports of anti-Communist propaganda and passive resistance. In several of the principal cities, Soviet troops put on a show of strength to forestall demonstrations against the regime on May Day. The KVP was also alerted.
2. Staple commodities are still in short supply. Reports of an alleviation of the food situation referred mainly to temporary local improvements. On the other hand, there are various reports that food shortages are continuing to keep the population restless and grumbling. Rumors of a currency reform also continue to circulate.
3. The morale of workers in collective farms (LPGs) dropped sharply because of the low wage scales. Only a few LPGs fulfilled their spring planting plans.
4. East German tax authorities have introduced measures to force private business to pay back taxes. At the same time, the volume of credits for private business has been reduced by half, allegedly to free credits for heavy industry. The number of refugees from the Russian zone giving financial reasons for their flight has increased significantly during the last few weeks.

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